IN THE HIGH COURT OF JUDICATURE AT BOMBAY
O.O.C.J.

Company Petition nO. 234 OF 2006
Connected with Company Appln.No.
793/2005.

In the matter of Scheme of Compromised and/or arrangement with a class of unsecured Creditors being the fixed Deposit holders of worldlink Finance Ltd.

worldlink Finance Ltd. .. ..Petitioner.

Mr. Rohit Kapadia, Sr.Counsel i/b.Jaikumar Shridhonkar, for petitioner.

Mr. J.C. Roy for R.D.
Mr. S.C. Gupta for O.L. present.

CORAM : S.C.DHARMADHIKARI,J.

DATE : 30th June, 2006.

P.C.

1] This company petition is filed under Section 391 of the Companies Act, 1956 seeking sanction of the Scheme of Arrangement with class of unsecured creditors of the petitioner Company. They are all fixed Deposit Holders. The petitioner is a non banking company. It had invited deposits from non public at large and it appears from the perusal of the petition that the company could not repay the depositors as per the assurance given. The present petition concerns only one class of unsecured Creditors namely Fixed Deposit Holders. They are to the tune of Rs. 5.59 Crores. The Company's business ran into financial difficulty. The difficulties are set out in the petition. Thereafter the present scheme is proposed whereby repayment of 80% of the

principal amount of the Fixed Deposit Holders in four to six years would be made.

2] Mr. Kapadia learned Senior Counsel appearing for the petitioners states that scheme is that fixed deposit holders of Rs.5,000/- and less would be repaid the amount in four years whereas the Fixed Deposit Holders in excess of Rs.5,000/- would be repaid their amounts (80% of the principal amount) in six years. There are several court proceedings and in all fairness Mr. Kapadia does not dispute that the Company has been incurring losses. It is because of the fact that the Company does not have cash liquidity that the present scheme is proposed.

3] Upon a Company application taken out in the present proceeding this Court directed to convene a meeting of the fixed Deposit holders of the petitioner. It is not in dispute that such a meeting is convened. It is not disputed that the notice of this meeting was given through leading Newspapers published in Bombay and outside. The Fixed Deposit Holders are about 4.835. The meeting was held on 4.2.2006. Notice of the meeting was published on 10th January, 2006. However, only 95 Fixed Deposit Holders attended the meeting and they have voted in favour of this arrangement.

4] The Regional Director has stated that the Scheme is not prejudicial to the interest of Creditors and Shareholders.

5] Having heard Mr. Kapadia and perused the affidavit so also the only objection received with his assistance, I am of the view that the Company is making an attempt and in fact in the petition it is stated that it had accepted deposits of about 26.81 Crores. It has already refunded deposits to the tune of Rs. 21.22 Crores. The balance outstanding deposit as on 31-10-2005 are to the tune of approximately Rs. 5.59 Crores. Mr. Kapadia upon taking instructions has made a statement that after filing of the scheme the Company has refunded Rs. 35 lacs by way of refund of deposits to deposit holders. He submits that if time is granted the Company will strictly abide by this Schedule, as also adhere to all norms, guidelines including those issued by R.B.I. and refund the amounts as undertaken in the scheme.

6] In these circumstances, the Company Petition deserves to be allowed. It is accordingly made absolute in terms of prayer clause (a) subject to payment of costs to Regional Director and Official

Liquidator quantified at Rs.2,500/-.

7] All concerned parties including Registrar of Companies to act on the ordinary copy of the order and scheme annexed to the petition, authenticated by the Company Registrar, High Court,Bombay.

8] Filing and issuance of drawn up order is dispensed with.

[S.C.DHARMADHIKARI,J.]